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"Every performance appraisal that fails to motivate, or worse, is a lost opportunity for both the employee and the employer. Each employee evaluation that neglects to recognize actual employee performance serves to perpetuate weaker qualities and omit reinforcing the positive."

-Stress-free Performance Appraisals, Sharon Armstrong

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STATE DOCUMENTS

**Purpose Statement:**

The Employee Performance Management System encompasses an ongoing communication process, undertaken in partnership, between an employee and his or her immediate supervisor. The performance review is just one part of performance management.<sup>1</sup> A more modern day approach defines the performance appraisal along these lines: As an important element of performance management, appraisals are yearly or semi-annual formal interactions between employees and their direct supervisors during which employees' strengths and weaknesses are cited and goals are assessed and set.<sup>2</sup>

Research continues to show that an employee performs well when his or her actions and behaviors contribute to the goals of the company and the work unit<sup>3</sup>. The Mission Statement for the Department of Health and Human Services, which is "To Manage the Medicaid program to provide the best healthcare value for South Carolinians" can be found on the first page of the performance review form, which serves as an acknowledgment of the linkage of the employee's performance to the Agency's mission statement. An employee that knows their job and performs according to the set duties, objectives and goals, ultimately complies with the Agency's mission.

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<sup>1</sup> Robert Bacal, Manager's Guide To Performance Reviews, p. 21

<sup>2</sup> Sharon Armstrong & Madelyn Appelbaum, Stress-free Performance Appraisals, p. 14

<sup>3</sup> Robert Bacal, Manager's Guide To Performance Reviews, p.39

Keeping in line with the mission, "providing the best healthcare for South Carolinians" is an integral part of Local Eligibility Processing. The determination of Medicaid eligibility for South Carolinians is primarily conducted on the county level by eligibility staff. In the year 2002 Local Eligibility Processing which consisted mostly of eligibility workers were placed under the direct supervision of the Department of Health and Human Services. Prior to this time staff were under the auspices of the Department of Social Services. As a result of this move eight regions were created placing county staff that once reported to County Directors under Regional Administrators. Generic job descriptions were created for staff in similar positions for this transition. In recent years there have been changes to align duties with actual performance. There appear to be growing interest and a need for a formal evaluation of the performance review process for accuracy, accountability and uniformity statewide.

**Data Collection (Part I):**

In 2005-2006, there was a noted and visible trend in Region IV among managers when it came time to complete an employee's performance review. There were twelve (12) managers that were being observed. While approximately ninety percent (90%) of performance reviews were submitted timely, the success rate for this was attribute to multiple reminders that were often sent out prior to the review date for staff. For every manager that did submit his or her reviews timely without being prodded, there was one (1) manager experiencing some degree of difficulty meeting the performance review date.

A formal assessment was needed to identify the problems in order to devise a corrective action plan. Additional follow-up would involve the following:

- A small focus group of supervisors to elicit their ideas.
- A meeting with each supervisor that displayed some forms of difficulty completing reviews timely.
- A detail discussion of the appraisal process during management meetings, to focus on the importance of the form and the process.

The Focus Group met on January 24, 2006. The group consisted of three (3) managers. The individual manager's meeting was mostly held during county visit. The performance review was placed on the agenda and discussed at several meetings during the year 2006. All meetings revealed the following reasons delaying the process:

- Not enough time.
- Too much work/ Overwhelm.
- The inheritance of difficult and new staff.
- The administrative duties that inherited as a result of the move.

As, a result of these findings changes was made within the Region. Managers were instructed to sign up for management training and set aside time each month for performance reviews. A spreadsheet was developed with the performance review dates for all staff to serve as a reminder, as well. There were some noticeable improvements regarding timeliness, yet the reluctance and

frustration remain. A need for the reminders fluctuated. Therefore the question began to surface again; was there a need for a statewide assessment of the performance review process among eligibility staff? Were there other underlying causes that we were not aware of that could make this experience a more pleasant one? Even though Region IV represented a relatively small percentage of the workforce for Local Eligibility Processing, there were certainly reasons to believe that a comprehensive statewide assessment of the performance review process would provide some helpful information.

#### **Data Collection (Part II):**

Additional studies and information were needed not only from the perspective of Region IV managers but also from abroad, as well as from other managers in the state that were performing the same duties under similar circumstances.

In addition to research and relying on the studies of others the decision was made to conduct a statewide survey. In recent years, the concept of considering information derived from a relatively small number of people to be an accurate representation of a significantly larger number of people had become a familiar one.<sup>4</sup> Many companies have come forth acknowledging the critical need to assess managers on performance and barriers. The LAMAS-360 (Leadership & Management Assessment System) under Corporate Survey is a 360-degree performance management tool that assesses employee at all levels via surveys.<sup>5</sup>

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<sup>4</sup> Louis M. Rea & Richard A. Parker, *Designing & Conducting Survey Research*, p.3

<sup>5</sup> *CorporateSurvey.com, The LAMAS-360 Process*, 12/06

The company has a high success rate.

To begin the expanded study, information was gathered from a study conducted by the United Kingdom's Institute of Personnel and Development on performance reviews. Their study revealed the following reasons from supervisors regarding their reluctance when it came time to complete a performance review<sup>6</sup>:

- Delivering bad news is painful.
- There's never time to prepare.
- It's hard to measure intangibles
- No accountability, why bother.
- No training or guidance is given.

Next, findings from the Council of Communication Management, which conducted a survey in the 1990s confirmed what many already knew-that being recognized for a job well done is the leading motivator of employee performance.<sup>7</sup>

The final data analysis would involve surveying Local Eligibility county managers. A qualitative survey would be used instead of statistical, due to its design, which allows the usage of open-ended questions. Qualitative surveys are

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<sup>6</sup> Bill L. Hopkins & Thomas C. Mawhinney, eds. *Pay for Performance*, p. 17

<sup>7</sup> Bob Nelson, 1001 Ways to Reward Employees, p. VV

also known to draw out the feelings, opinions and values of individual and groups that are being surveyed. A Web-based type PRS (Performance Review Surveys) was also selected. Unlike the mail-out, telephone and intercept types of surveys, the web-based was chosen due to its convenience and rapid data collection.

The Bureau Chief and Division Director for Local Eligibility Processing gave the approval for the survey. Performance Review surveys were sent to ninety-five (95) managers across the state. The objective was to survey managers that were responsible for performance reviews. Managers also fall into that category of two-fold employees that can provide a dual perspective of the performance review process from a management and report perspective. Participants were given one week to complete the surveys. The survey (Attachment A) contained sixteen questions, which were designed to not only identify obstacles but to provide solutions as well.

**Data Analysis/Implementation/Evaluation:**

Two questions were placed on the survey directly inquiring about timeliness and possible consequences. Additional questions were added in hopes of identifying underlying caustic barriers that may not have been obvious to participants. These were considered more thought provoking. Such questions possibly would provide feedback that could be helpful in setting future job objectives and serve as justification for changes to the entire performance management process and review system.

Out of the ninety-five (95) supervisors that were surveyed, a total of forty-one (41) responded, which yielded a return rate of forty three percent (43%). Thirty-eight (38) participants responded electronically and three (3) were sent in via courier. Three (3) participants responded via email to report they would not be completing the survey due to the fact they did not supervise staff.

Interestingly noted, the ninth (9<sup>th</sup>) question on the survey asked participants directly: What are some of the barriers that prevent you from completing your appraisals timely? See below.

<b>Reported Barriers</b>	<b>Response Percent</b>	<b>Response Total</b>
A. Time-There are so many other duties to complete that finishing my EPMS documents sometimes fall down my priority list.	47.1%	16
B. I always complete my EPMS documents on time.	55.9%	19
C. Sometimes I wonder why we even do EPMS documents. Who do they benefit? I don't always complete them on time because I really do not think they do any good.	0%	0%
D. Getting approvals from my supervisor. Three people have to approve an EPMS, I may have my part done on time, but by the time it gets back to	8.8%	3



me, its past due.		
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While the numbers above show a slightly higher number of managers completing reviews timely, the total number not completing reviews timely in conjunction with the delays caused by the chain of command serves as an indicator that an improvement process should be explored.

Another question posed asked participants: Do you feel like the listed job duties on your performance review accurately reflected what you do? Results below:

<b>Do the Listed Duties Accurately Reflect What You Are Doing?</b>	<b>Response Percent</b>	<b>Response Total</b>
A. Yes, my duties give an accurate picture of my workday.	31.6%	12
B. My job duties as listed on my EPMS are accurate. But, a portion of my workday is not captured in my job duties.	65.8%	25
C. My job duties are completely inaccurate. What I do on a daily basis is not contained within the job duties listed on my EPMS.	2.5%	1

As, noted below, its important to have employees' job duties accurately reflected on their performance review form. "Employers should only list duties that are truly related to the job-meaning they are actually necessary to the position itself. This is important for both practical and legal reasons."<sup>8</sup> Research

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<sup>8</sup> Amy DelPo, The Performance Appraisal Handbook, Legal & Practical Rules for Managers, 3/5

continues to show that it is the preference of employees to have their performance review form accurately reflect what they are doing 100%.

Others question posed on the survey are listed under Attachment B. Overall supervisors appeared to be in favor of some type changes to the performance review process. This would be inclusive of the form and the process. Some of the most prevalent request for changes included:

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- A listing of the rating scales on the front of the review form. A form similar to a report card.
- Even though late reviews can be changed from a meets by default, it still can cause low morale.
- More opportunity for pay raise with reviews.
- Interim reviews.
- A system that will allow feedback from reports.

Again, while one may question the number of respondents in comparison to the total number of supervisors statewide, the responses of the statewide survey revealed the need for an additional statewide assessment of the performance review process and review form. Managers have clearly shown reasons and justification to assess listed duties on the current performance review by reporting at 65.8% that a portion of their workday is not reflected on the form.

Also, 47.1% percent of those responding to the question reported not having adequate time to complete reviews in a timely fashion.

At, this point the solution would be a more comprehensive statewide assessment of the performance review process. Based on the results of the survey there are immediate corrective actions that can be implemented. Additional assessment would require the leadership and approval from the Bureau of Human Resources and the Bureau of Local Eligibility Processing.

Implementation plan would include the following with Region IV serving as a Pilot commencing July 1, 2007-July 1, and 2008.

- A mandatory one-day workshop for all managers focusing entirely on the performance management and performance reviews process.
- A mandatory one-day training on time management.
- A pilot of the universal review process.
- Have all staff in the Region to complete a position review form.
- Form a committee to conduct ongoing assessments.

The Regional Administrator and management staff of Region IV would oversee the administration of the pilot. There is no projection for cost since the pilot would focus on processes only. Potential obstacles would be identified through the pilot. Those wishing not to participate would be excused. The pilot would not require any additional resources. The primary stakeholders are the employees.

The Agency as whole would be stakeholders, as well. Communication will be conducted through the normal chain of command and via the committee. The goal would be to provide staff with feedback on a monthly basis. We would also solicit comments from staff. The entire Region would be informed of the Pilot at one time. Different aspects of the pilot would be phased in on a monthly basis. Each step would require the approval of Human Resources and the management of Local Eligibility Processing.

Staff would be asked to complete a questionnaire each time a part of the pilot is phased in for evaluation. This would be on going. They will also be asked to comment on their performance review experience. The list above is not inclusive. We will continue to seek new and creative ways to improve the evaluation process through pilots. Comparison data would be collected on the turn around time and the quality of each performance review and the process. The goal is to run the pilot for one year to compare to last year data. The evaluation process will include surveys, focus groups and meetings.

So, why the Title... **EPMS vs. MPES?** Simple! **MPES** (Management Promoting Excellent Service) is what can be do via the **EPMS** (Employee Performance Management System). By using the **EPMS** as it was intended. Managers can also promote excellent service by committing to The "A" List<sup>9</sup>...

***Active, Accurate, Attentive & Appreciative!***

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<sup>9</sup> Sharon Armstrong & Madelyn Appelbaum, *Stress-free Performance Appraisals*, p.34

**Attachment A**

**Employee Performance Appraisal Survey**

**Attachment B**

**Employee Performance Appraisal Survey Questions and  
Responses**

<b>Should the Planning Stage and Position Description Forms Be Combined?</b>	
<b>How Would this Benefit You?</b>	<b>Total Respondents-36</b>
No (6)	
Yes (15)	
Would let staff know exactly what their duties are and how they will be evaluated on their performance.	
No, they should not be combined because the position description only gives an overview, while the planning stage goes into more details.	
I think it should be separate but inclusive of each other.	
I don't feel like a change would be beneficial. I personally like having these forms separate.	
This would be helpful in keeping up with all of the things you have to keep up with as it relates to the employee.	
Yes, as you can let the employee know their positives and negatives.	
They need to be compatible.	
Yes. It would synchronize tasks the employee must perform into one document and establish a single goal for appraisal of performance.	
I don't see a benefit to combining.	
A simplified combined form would make it easier for all managers.	
Good idea. Success criteria should be clear and specific. If the PD was sufficiently detailed and the EPMS forms standardized for each job class, there would be no need for planning stages.	
It would be one less form to work with. I think it would keep the supervisor and the worker on track.	
Yes... combining the two forms would be beneficial as to provide less paperwork	
It would ensure that original, generic job duties are remembered and captured.	
No, the position description describes the job functions for that particular job and the planning stage lets the employee know which of those duties he/she will be responsible for. It allows the supervisor to tailor the position to the employee.	

<b>Do You Have Any Additional Thoughts and/or recommendations to the EPMS Process?</b>	<b>Total Respondents-28</b>
Glad you are working on this-the process needs some improvement.	
If the agency really wants to improve it, add more incentives to the outcome. To many managers and worker view the process now as simply a paperwork exercise.	
I am sorry that I couldn't give this survey more time to do a better opinion because I have a lot of ideas.	
The form and process needs to be shortened.	
I just really feel that the duties should be structured more appropriately to the job the worker does.	
There should be more incentives for improvements. The way it is now, an employee who constantly gets an exceed while a worker gets a meet there really is no difference. Where is the incentive to pull up the worker who is doing just enough to get by?	
EPMS forms are useful because they provide documentation when workers are doing a bad job. However, there is not much use in them as far as helping workers who are doing an excellent job.	
None/No/Not at this time. (18)	
Why can't numerical scores be something other than whole numbers?	
Supervisors are trained on EPMS procedures but subordinates are not. They need to understand the EPMS process as well.	
A simplified combined form would make it easier for all managers.	



**Do You Find the Current EPMS Appraisal Form To Be An Effective Tool?**

<b>Not at all</b>	<b>Rarely</b>	<b>Sometimes</b>	<b>Often</b>	<b>Always</b>	<b>N/A</b>	<b>Response Average</b>
3% (1)	35 (1)	39% (15)	45% (17)	11% (4)	0% (0)	3.58

**How Often Do You Provide Your Employees With Informal Performance Feedback?**

<b>Not at all</b>	<b>Rarely</b>	<b>Sometimes</b>	<b>Often</b>	<b>Daily</b>	<b>N/A</b>	<b>Response Average</b>
0% (0)	0% (0)	21% (8)	55% (21)	21% (8)	3% (1)	4.00